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MEMORANDUM FOR DEPUTY UNDER SECRETARY OF DEFENSE
(INSTALLATIONS AND ENVIRONMENT), OUSD (AT&L)
DEPUTY UNDER SECRETARY OF DEFENSE
(PROGRAM INTEGRATION), OUSD (P&R)

SUBJECT: 2003 Commercial and Inherently Governmental Activities Inventory Data Call

Reference memorandum, OUSD (AT&L), December 16, 2003, subject as above.

As requested above, I am forwarding two separate databases: the Army Inventory and the Civil Works Inventory. Enclosed is the required reconciliation with the Defense Manpower Requirements Report (DMRR) as well as an explanation of major differences between the 2002 and 2003 Inventories. The Inventory itself is being submitted to you via e-mail.

The Army's IGCA Inventory for this year consists of last year's IGCA database updated with key changes documented in the enclosure to this memorandum. The 2002 and 2003 IGCA databases were extracted from the FY04 Army Authorization Documentation System (TAADS) manpower database as of March 2003. Additionally, some additional FY05 TAADS data was incorporated for selected organizations which were inadequately documented in the FY 04 TAADS and which had significant levels of military to civilian conversions. This is due to the Army's effort to implement the IGCA in manpower documentation systems while at the same time achieving as much accuracy as possible given limited time and staff resources.

The points of contact for this action are Dr. John Anderson, at (703) 614-8247 and Ms. Eileen Ginsburg, at (703) 697-5290.

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Assistant Secretary of the Army
(Manpower and Reserve Affairs)

Enclosure

Narrative Description for 2003 Army FAIR Inventory Data Call Response

DMRR/IGCA Reconciliation: The reconciliation is between manpower authorizations in the IGCA and manpower authorizations reported in the Defense Manpower Requirements Report (DMRR). (I.e., it makes no sense to reconcile authorization data in the IGCA to faces data in the DMRR).

Active Component Military

AC Military	IGCA	DMRR	% Discrepancy
Force Structure	322,139	324,969	-0.88%
Infrastructure			
Included in IGCA	85,216		
Excluded from IGCA			
GDIP/NFIP	6,726		
Joint/Defense	8,699		
Total Infrastructure	100,641	94,213	6.39%
TTHS (Individuals)	62,149	63,218	-1.72%
Total AC Military	484,929	482,400	0.52%

The DMRR figure for AC military is within 1% of the IGCA figure for AC military. The DMRR figure for infrastructure AC military includes Joint and Defense billets and National Foreign Intelligence Program (NFIP) and General Defense Intelligence Program (GDIP) billets, while the IGCA excludes these categories per OSD guidance. This accounts for most of the difference between the IGCA infrastructure figure and the DMRR infrastructure figure. The additional discrepancy of 5% between the DMRR and IGCA infrastructure categories is attributable to the fact that the Army IGCA is compiled from manpower authorization data in The Army Authorization Documentation System (TAADS) for FY04, as of March 2003 at the billet level of detail, as distinct from the DMRR FY04 position as of the FY04 PB.

Civilians

Civilians	IGCA	DMRR	% Discrepancy
Force Structure	2,375	43,518	-1732.34%
Infrastructure			
Included in IGCA	215,730		
Excluded from IGCA			
GDIP/NFIP	1,970		
Joint/Defense	1,649		
Total Infrastructure	219,349	176,202	19.67%
Total Civilians	221,724	219,720	0.90%
Civil Works Civilians	27,229	N/A	

- The DMRR figure for civilians (after excluding Civil Works) is within 1% of the IGCA figure. However, there is a large discrepancy between the civilian IGCA infrastructure number and the civilian DMRR infrastructure number. It is likely that

most of this discrepancy is because the Army IGCA is developed from Army manpower documentation systems (i.e., TAADS) rather than budgetary systems based on Program Element. In TAADS, authorizations in the Modified Tables of Organization and Equipment (MTOEs) are deemed to be in the operating forces and authorizations in the Tables of Distribution Allowances (TDAs) are deemed to be infrastructure. In contrast, the DMRR position is based on budgetary Program Element definitions of force structure vice infrastructure. (The only exception to this is in the case of intelligence because the IGCA instructions use only force structure function codes for this function.) In addition, as with the AC military, the use of two different data sources (TAADS versus DMMR) extracted at different dates (FY04 TAADS in March 03 vice FY04 DMRR for PB05) may explain a significant portion of the discrepancy. As is the case with AC military, NFIP, GDP and Joint/Defense billets are included in the DMRR, but not in the IGCA. However, the numbers in these categories for civilians are insignificant and therefore, this difference is not a major factor in explaining the discrepancy with respect to civilians in the infrastructure.

- Civil works civilians are not included in the DMRR, but they are reported in the IGCA. Therefore, it is important to exclude the Civil Works portion of the IGCA from any comparison with DMRR data.

National Guard and Reserve

NG Military	IGCA	DMRR	% Discrepancy
Force Structure	302,793	319,008	-5.36%
Infrastructure	33,239	30,992	6.76%
Total NG Military	336,032	350,000	-4.16%

Reserve Military	IGCA	DMRR	% Discrepancy
Force Structure	145,362	180,570	-24.22%
Infrastructure	39,148	24,430	37.60%
Total Reserve Military	184,510	205,000	-11.11%

- The IGCA data is developed from authorization data and therefore reflects the over-structuring of the National Guard and Reserve. There has no been no change in data from last year's submission in the case of the National Guard and Reserve.

Process for Coding Data:

- Data coded in accordance with 2003 DoD Inventory Guidance, written exemption determinations, and FAIR Act challenge and appeal decisions, signed at ASA-M&RA level or higher. The exemption determinations and challenge and appeal decisions interpret the Inventory Guidance. These written determinations and the application of the DoD Manpower Mix Criteria are coordinated with HQDA functional proponents and Major Commands. The application of function codes initially was based on financial management (such as program element data) and personnel management data. However, the financial management description of functions was more accurate in tracking the funding source than the function

performed. Therefore, the application of function codes has been completely de-centralized to the major commands.

- Longer term, the Army has started implementing the coding of the IGCA function codes and criteria codes in its manpower documentation system (The Army Authorization Documentation System which is transitioning into the Force Management System) for the March/April 2005 IGCA submission. However, the Army manpower documentation systems have a programmatic-future orientation rather than the current year orientation of the IGCA, so this will cause disconnects when reconciling IGCA data with current year data. In addition, Army manpower documentation systems in some cases use different nomenclature for locations than mandated by the IGCA Inventory.

- As we stated earlier in response to your staffing of this year's IGCA guidance, we had insufficient time to fully implement that guidance. Therefore, in general, we have simply used last year's IGCA data base and updated it based on certain key changes documented below. Last year's IGCA data base (and this year's) were extracted from FY04 TAADS as of March 2003. The one exception is where we patched into the IGCA FY05 TAADS data for selected organizations which were inadequately documented in the FY04 TAADS and which had significant levels of military-civilian conversions (e.g., Installation Management Activity).

- In general due to time constraints this year, no additional risk analysis was performed beyond what was done in last year's IGCA, except to the extent that risk analysis was performed at TAA 11 in August of 2003.

Strategy/ Philosophy for Coding Manpower Criteria and Function Codes:

- Coding had previously been done on a centralized basis but is now shifting to a decentralized basis with great deference given to the Major Commands. The only exceptions to this principle of deference to Major Commands involves the application of inherently Governmental categories, dual status categories, legal exemptions, and military career progression criteria. Some gross sanity checks were done on Major Command changes to the IGCA data base, such as where major commands proposed converting civilians to military or identified military as exempt on career progression or rotation grounds. Given the transformation of the Army's combat units to a unit rotation footing, there arguably no longer is sufficient rationale for exempting military positions on the grounds of an exemption from conversion based on individual rotation policies.

Description of Changes between 2002 and 2003 Submissions:

Active Component Military in Force Structure

AC Mil in Force Structure		
Criteria Code	2003 Auth	2004 Auth
A Military Operations – Inherently Governmental	258,992	258,992
B Military Support Elements in Operating Forces –Not Inherently Governmental but Exempt	45,894	51,533
M Restricted by DoD Management Decision – Not Inherently Governmental but Exempt	5,079	5,079
P Pending Restructuring Decision – Not Inherently Governmental/Not Exempt/Review Delayed	5,633	-
X Military to civilian Conversion (Alternative to A-76)	6	-
Total	315,604	315,604

- The only changes involving AC military assigned to the operating forces involve shifts into code B of 5,633 positions previously coded P and 6 positions previously coded X. After analysis, it was determined that these personnel performing logistics, historian and personnel functions were more appropriately coded B.

Active Component Military in Infrastructure

AC Mil in Infrastructure		
Criteria Code	2003 Auth	2004 Auth
A Military Operations – Inherently Governmental	836	747
B Military Support Elements in Operating Forces –Not Inherently Governmental but Exempt	-	13
D Exemptions for Military & Civilian Wartime Designations (Dual Status) – Not Inherently Governmental but Exempt	49,302	22,038
E Civilian Authority Direction & Control – Inherently Governmental	640	-
F Military-Unique Knowledge & Skills – Some Inherently Governmental and Remainder Exempt	17,072	26,050
G Exemptions for Esprit de Corps and Military Support – Not Inherently Governmental	2,534	1,008
I Military Augmentation of the Infrastructure During War -Exempt	-	213
K Civilian & Military Career Progression - Not Inherently Governmental but Exempt	-	4,536
L Restricted by Law, Executive Order, Treaty or International Agreement – Not Inherently Governmental but Exempt	1,477	5,383
M Restricted by DoD Management Decision – Not Inherently Governmental but Exempt	2,772	13,764
P Pending Restructuring Decision – Not Inherently Governmental/Not Exempt/Review Delayed	14,040	-
R Subject to Review (A-76)	1,410	-
X Military to Civilian Conversion (Alternative to A-76)	3,504	17,809
Total	93,587	91,561

- The number of AC military personnel coded D has been reduced from 49,302 to 25,686 after OUSD-P&R staff in IGCA Working Group challenged the magnitude of positions reported in code D as Dual Status. The Army has limited Code D to those occupational specialties that also exist in the operating forces and for

which there is a delta between documented requirements and authorizations in the operating forces. The remainder moved into codes F, K, M and X. Medical, training, intelligence, and chaplain functions are the predominant functions remaining in code D.

- All 640 personnel previously coded E have been moved into code X, to indicate that they should be converted from military to civilian performance. The application of code E to military positions that were convertible to civilian performance but were deemed to be inherently Governmental is moved to code X to simplify accounting for military-to-civilian conversions as an "alternative to A-76" recognized as such by OSD and OMB.

- The increase from 17,072 to 25,350 coded F is attributable to significant numbers of personnel being moved from code D into code F. The Army is using code F where a function requires military unique knowledge and skills. The Army had previously excluded these positions from code F because only a small subset of these functions are inherently governmental, and OSD characterizes all of code F as inherently Governmental.

- The number of personnel coded G has been reduced from 2,534 to 1,009. Examples of personnel remaining in this code are recruiters, bands, the Golden Knights, Army Marksmanship Program, Army Astronaut Training Program, chaplains, United States Military Academy Superintendent and various personnel and training functions.

- This year we have gone from zero to 213 in code I. All of these personnel are in the MEDCOM.

- About 4,569 positions which Major Commands had identified as appropriate for code X, were shifted to code K based upon career progression analysis coordinated by Army G1. In general, to the extent a given level of conversions within a military career field would cause a deviation greater than 2% from the ideal career progression pyramid for that career field as documented in Army Regulation 611-11 on an Army-wide basis, the position was exempted from conversion based on the application of career progression code K. However, in the case of the military police career field which currently is under stress and for which there is increased demand in theater, a 10% deviation from the idealized pyramid was allowed as an exception to policy.

- There has been an increase from 1,477 to 5,429 in the number of personnel coded L. These personnel consist primarily of public affairs and 5,000 Active Component military required by law to support the Reserve Component (section 414(c) of the FY92 and FY93 National Defense Authorization Act (Pub. L. 102-190)).

- The number of personnel in code M has increased from 2,772 to 13,764. A large number of these could be converted from military to civilian performance. However, the MACOMs have chosen to code other positions for possible conversion at this time.

- Changes in the P, R and X codes. Personnel in code P have dropped from 14,040 to zero and the number coded R has gone from 1,410 to zero. (In last year's IGCA, code P had been used to include positions functionals and Major Commands conceded were not appropriate for a permanent exemption but which they were not yet ready to sign up as appropriate for conversion or competitive sourcing.) With the current shift in emphasis from competitive sourcing to military-to-civilian conversions as an alternative to A-76, the number coded X has

increased from 3,504 to 17,809. Because OMB has designated military to civilian conversions as a bona fide alternative to A-76, the military personnel now coded X include the Army's military conversion plans as well as additional potential conversions not currently included in Army conversion plans. (The MACOMs have currently been directed to do 13,000 conversions from FY04-FY06). In addition, MACOMs identified a significant number of positions (about 4K) as convertible that currently are coded as exempt (by virtue of codes A, D, F, G, K, L and M).

Civilians in Infrastructure (Non Civil Works)

Civilians in Infrastructure (Non CW)		
Criteria Code	2003 Auth	2004 Auth
C Civilian Support Elements in Operating Forces – Not Inherently Governmental but Exempt From Outsourcing	-	16
D Exemptions for Military & Civilian Wartime Designations (Dual Status) – Not Inherently Governmental but Exempt	37	36
E Civilian Authority Direction & Control – Inherently Governmental	8,313	12,644
G Exemptions for Esprit de Corps and Military Support – Not Inherently Governmental	15,043	12,465
L Restricted by Law, Executive Order, Treaty or International Agreement – Not Inherently Governmental but Exempt	81,983	78,290
M Restricted by DoD Management Decision – Not Inherently Governmental but Exempt	11,499	10,583
P Pending Restructuring Decision – Not Inherently Governmental/not Exempt/Review Delayed	31,176	10,190
R Subject to Review (A-76)	48,624	73,505
X Subject to Review (Alternative to A-76)	20,476	20,418
Total	217,151	218,147

- The increase from zero to 16 in code C is due to the civilians in the United States Army Nuclear and Chemical Agency who constitute civilian support elements in the Operating Forces.

- Code E has increased from 8,313 to 12,644. During 2003, an exhaustive study was undertaken by the U. S. Army Manpower Analysis Agency in support of the Office of the Assistant Secretary of the Army for financial Management and Comptroller with the aim of validating the authority of all officials who certify funds in the Army. The result was a validated increase of nearly 6,000 certifying officials deemed to be inherently Governmental.

- The number of civilians in code P has decreased from 31,176 to 10,190. The additional personnel who were coded P last year are now found in code R, which has increased from 48,624 to 73,505, after analysis showed that these are commercial functions potentially subject to A-76.

Civilians in Civil Works

Civilians (CW)		
Criteria Code	2003 Auth	2004 Auth
E Civilian Authority Direction & Control – Inherently Governmental	3,274	3,074
L Restricted by Law, Executive Order, Treaty or International Agreement – Not Inherently Governmental but Exempt	330	706
M Restricted by DoD Management Decision – Not Inherently Governmental but Exempt	4,703	4,270
P Pending Restructuring Decision – Not Inherently Governmental/not Exempt/Review Delayed	2,284	513
R Subject to Review (A-76)	10,764	14,993
X Subject to Review (Alternative to A-76)	4,956	3,673
Total	26,311	27,229

- Aside from the increase in the number of personnel coded R, there are no significant changes in the civil works portion of the IGCA inventory.

National Guard and Reserve Military in Force Structure

NG Mil in Force Structure		
Criteria Code	2003 Auth	2004 Auth
A Military Operations - Inherently Governmental	261,563	261,563
B Military Support Elements in Operating Forces - Not Inherently Governmental but Exempt	38,124	38,124
Total	299,687	299,687

Reserve Mil in Force Structure		
Criteria Code	2003 Auth	2004 Auth
A Military Operations - Inherently Governmental	63,878	63,878
B Military Support Elements in Operating Forces - Not Inherently Governmental but Exempt	58,890	58,890
Total	122,768	122,768

National Guard and Reserve Military in Infrastructure

NG Mil in Infrastructure		
Criteria Code	2003 Auth	2004 Auth
B Military Support Elements in Operating Forces - Not Inherently Governmental but Exempt	36,345	36,345

Reserve Mil in Infrastructure		
Criteria Code	2003 Auth	2004 Auth
B Military Support Elements in Operating Forces - Not Inherently Governmental but Exempt	61,742	61,742

There are no differences between the 2002 and 2003 IGCA Inventory submissions involving the Army National Guard or Army Reserve.